

CONTRACT FOR PURCHASE AND SALE

THIS CONTRACT FOR PURCHASE AND SALE ("Contract") is made as of this 29th day of September, 2011 (the "Effective Date") between **THE VILLAGES OF LAKE-SUMTER, INC.**, a Florida corporation, whose address is 1020 Lake Sumter Landing, The Villages, Florida 32162 ("Seller") and **VILLAGE CENTER COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government created pursuant to Chapter 190, Florida Statutes, whose address is 3201 Wedgewood Lane, The Villages, Florida 32162 ("Purchaser") subject to all of the following terms and conditions:

RECITALS

A. The Seller is the owner of the real property described in the attached ***Exhibit "A"*** (the "Land") and has constructed a fire station and appurtenant improvements thereon (the "Station") (the Land and Station are referred to collectively herein as the "Real Property").

B. Purchaser sent a letter to Seller dated September 21, 2011, whereby the Purchaser has indicated that should Seller be unwilling to sell the Real Property to Purchaser, Purchaser would be prepared to approach and petition Sumter County, Florida to exercise its power of condemnation to acquire the Real Property via eminent domain proceedings.

C. In lieu of having the Purchaser approach and petition Sumter County, Florida and request that Sumter County exercise its power of condemnation to acquire the Real Property via eminent domain, Purchaser and Seller wish to enter into a Contract for Purchase and Sale by which Purchaser agrees to purchase from Seller the Real Property, together with all furniture, fixtures, and equipment located on the Land (the "Personal Property").

D. In an attempt to determine a fair and reasonable Purchase Price for the Property (as each of those terms are defined in herein), Purchaser and Seller have agreed that the purchase price shall equal the sum of (i) the market value of the Land, as determined by obtaining two (2) appraisals of the Land and taking the average market value of such appraisals, and (ii) Seller's cost and expense in making physical improvements to the Land.

E. Purchaser and Seller each obtained an appraisal of the Land, with the Seller's appraiser concluding the market value of the Land is \$945,000.00, and Purchaser's appraiser concluding that the market value of the Land is \$1,060,000.00. The average of the two appraisals is \$1,002,500.00.

F. In spite of Seller and Purchaser's agreement set forth in Recital D. above, Seller has agreed, for the purposes of determining the purchase price attributable to the Land, to value the Land at \$271,000.00; it being Seller's intent to donate the remaining value of the Land to the Purchaser for no additional consideration.

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the parties agree as follows:

1. **Subject of the Purchase and Sale.** Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, the Real Property and Personal Property (the Real Property and Personal Property are referred to herein collectively as the "Property").

2. **Purchase Price.** The purchase price for the Property shall be THREE MILLION, EIGHT HUNDRED SIX THOUSAND, EIGHT HUNDRED SIXTY FOUR, AND 00/100 DOLLARS (\$3,806,864.00) (the "Purchase Price"). Seller and Purchaser each acknowledge that the Purchase Price was determined by adding (i) \$271,000.00, which represents the market value

of the Land, as voluntarily adjusted by Seller pursuant to Recital F. above, and (ii) \$3,535,864.00, which represents Seller's total cost and expense in making physical improvements to the Land.

3. **Payment of Purchase Price.** Purchaser shall pay the Purchase Price to Seller in cash or certified funds, in four (4) installments (the "Purchase Price Payments"), as follows:

<u>Amount</u>	<u>Date of Payment to Seller</u>
\$1,000,000.00	On or before September 30, 2011
\$1,000,000.00	On or before September 30, 2012
\$1,000,000.00	On or before September 30, 2013
\$806,864.00	On or before September 30, 2014

Purchaser represents to Seller that Purchaser is entitled to receive full reimbursement of the Purchase Price from Sumter County, Florida, payable solely from Sumter County fire impact fees, pursuant to reimbursement requests delivered from Purchaser to Sumter County, Florida. At Closing, Purchaser and Seller shall enter into a Security Agreement – Pledge of Payments (the "Security Agreement"), in a form mutually agreeable to Seller, Purchaser, and Sumter County, Florida, and Sumter County, Florida shall acknowledge the Security Agreement where indicated therein, where Purchaser shall grant Seller a security interest in and to those reimbursement payments payable from Sumter County to Purchaser. Purchaser's obligation to pay the Purchase Price to Seller according to the schedule set forth above shall survive Closing.

4. **Title to the Real Property.** Seller has, prior to the Effective Date, at its sole cost and expense, delivered a commitment for an ALTA Form B owner policy of title insurance issued by McLin Burnsed, agent for Old Republic National Title Insurance Company ("Title Insurer"), together with legible copies of all instruments identified in Schedule B-II therein (the "Commitment"). The Commitment bears an effective date of August 24, 2011, at 11:00 PM, is in an amount of \$3,806,864.00, and bears an Agent's File Reference number of OH3381. Pursuant to the Commitment, the Title Insurer has agreed to insure in an amount equal to the Purchase Price, that upon delivery of a special warranty deed from Seller to Purchaser, Purchaser shall have fee simple title to the Real Property free and clear of all matters except for the exceptions set forth therein. At Closing, Seller shall cause Title Insurer, or its agent, to "mark up" the Commitment, thereby obligating Title Insurer to issue an owner's policy of title insurance to Purchaser within thirty (30) days of Closing, in strict compliance with such marked up Commitment. Seller shall cause the Title Insurer, in its "mark up", to (a) show all requirements in Schedule B-I therein satisfied, and (b) delete items 1 and 2 set forth in Schedule B-II; provided however, that the Title Insurer, or its agent, may take exception for any adverse matters appearing upon the Survey (as defined in Section 6 below).

5. **Due Diligence Period.** Purchaser shall, at Purchaser's expense and prior to Closing ("Due Diligence Period"), determine whether the Property is suitable, in Purchaser's sole and absolute discretion, for Purchaser's intended use. During the Due Diligence Period, Purchaser may conduct any tests, analyses, surveys and investigations ("Inspections") which Purchaser deems necessary to determine to Purchaser's satisfaction the condition of the Property. Purchaser shall deliver written notice to Seller prior to the expiration of the Due Diligence Period of Purchaser's determination of whether or not the Property is acceptable. Upon Seller's receipt of written notice from Purchaser prior to expiration of the Due Diligence Period that the Property is not acceptable, this Contract shall be terminated. Purchaser's failure to comply with this notice requirement shall constitute acceptance of the Property in its present "as is" condition. Seller grants to Purchaser, its agents, contractors and assigns, the right to enter the Property at any time during the Due Diligence Period for the purpose of conducting Inspections; provided, however, that Purchaser, its agents, contractors and assigns enter the Property and conduct

Inspections at their own risk. Purchaser shall indemnify, to the extent permitted by law, and hold Seller harmless from losses, damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from liability to any person, arising from the conduct of any and all Inspections or any work authorized by Purchaser. Purchaser will not engage in any activity that could result in a mechanic's lien being filed against the Property without Seller's prior written consent. Any damage to the Property resulting from Purchaser's inspections shall be repaired by Purchaser at Purchaser's expense. Notwithstanding anything contained herein to the contrary, the indemnification and hold harmless provisions set forth in this Section shall survive termination of this Contract.

6. **Survey.** Purchaser may cause a staked survey of the Property to be prepared by a licensed, registered Florida surveyor (the "Survey"). The cost of such Survey will be borne solely by the Purchaser.

7. **Representations and Warranties of Seller.** Except for those warranties to be contained in the special warranty deed, the Property is being sold "as-is" and Seller makes no representations or warranties concerning the status or state of the Property.

8. **Covenants of Seller.** Seller covenants and agrees that Seller shall give Purchaser and its representatives and inspectors access to the Property for purposes of inspection, and upon request, shall deliver to Purchaser all plans, drawings, and other specifications in Seller's possession that describe the Station and Personal Property.

9. **Closing.** Closing of the transaction contemplated hereby shall occur at McLin Burnsed, 1028 Lake Sumter Landing, The Villages, Florida 32162, or such other place agreed upon by Seller and Purchaser. Closing shall occur on or about September 30, 2011.

10. **Considerations of Seller.** At Closing, Seller shall execute and/or deliver to Purchaser (a) a special warranty deed conveying the fee simple estate in the Real Property to Purchaser, with such remainder language as shall be agreed upon between Purchaser and Sumter County, Florida; (b) a Bill of Sale conveying title to the Personal Property, free and clear of all liens and encumbrances; (c) an assignment of warranties for all warranties applicable to the Station and Personal Property; and (d) the Security Agreement.

11. **Considerations of Purchaser.** At Closing, Purchaser shall deliver the fully executed Security Agreement to Seller, acknowledged by Sumter County.

12. **Defaults.** In the event Seller breaches any warranty or representation contained in this Contract or fails to comply with or perform any of the covenants, agreements or obligations to be performed by Seller under the terms and provisions of this Contract, Purchaser, in Purchaser's sole discretion, shall be entitled to (i) exercise all rights in equity of specific performance, (ii) terminate this Contract, or (iii) to waive the default and proceed to the Closing. Seller shall have no liability for damages to the Purchaser unless the Seller shall willfully fail and refuse to close and Purchaser, being ready, willing, and able to close, and having waived all unfulfilled conditions, shall be unable to obtain the remedy of specific performance. In no event shall Purchaser be entitled to recover special, incidental or consequential damages. Both parties acknowledge and agree that each was materially induced to enter into this Contract in reliance upon the other's agreement to limit their respective remedies in the event of default by the other party, and that neither party would have entered into this Contract but for the other's agreement to so limit such remedies. The provisions of this Paragraph 12 shall not limit the Purchaser's obligations to indemnify the Seller pursuant to the terms of Paragraph 5 hereof.

13. **Taxes, Assessments and Closing Costs.** Seller shall pay, or cause to be paid, all real estate taxes relating to the Property assessed for all calendar years prior to the Closing, and all real estate taxes relating to the Property attributable to that portion of the calendar year 2011

occurring prior to Closing. Purchaser shall pay all assessments for municipal or other public improvements becoming a lien on the Property after the Closing and Seller shall pay all assessments becoming a lien prior thereto. Seller shall pay for all stamp, documentary, sales and/or use tax in connection with the conveyance of the Property, and the owner's policy premium together with costs associated with curing title defects. Purchaser shall pay all of the costs in connection with recordation of the deed. Seller's agreements as set forth in this Section 13 shall survive Closing.

14. **Damage or Destruction; Condemnation.** All risk of loss or damage to the Property shall remain with the Seller through and including the date of Closing, and all risk of loss or damage to the Property shall be with the Purchaser after Closing. If any of the Property shall suffer a loss by fire, flood, tornado, accident or other cause after the Effective Date and on or before the date of the Closing, or if proceedings to take or condemn the whole or any part of the Property for public or quasi-public use under any statute or by the right of eminent domain are commenced or threatened prior to the date of the Closing, then Purchaser may, at its option, either consummate or not consummate the transaction contemplated hereby. If Purchaser elects to consummate such transaction, then all insurance proceeds payable in respect of such casualty and/or any and all damages or awards payable in respect of such taking or condemnation shall be paid to Purchaser. If Purchaser elects not to consummate such transaction, this Contract shall terminate and be of no further force and effect, and the Earnest Money shall be promptly returned to Purchaser.

15. **Expenses; Brokerage.** Each party represents to the other that no agent or broker is owed a commission.

16. **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person or sent by registered or certified mail, postage prepaid, or via recognized overnight parcel service addressed as follows:

TO PURCHASER:

Village Center Community
Development District
Attn: Janet Tutt
3201 Wedgewood Lane
The Villages, Florida 32162

with a copy to:

Village Center Community
Development District
Attn: Archie Lowry, Esq.
308 E. Fifth Ave.
Mt. Dora, Florida 32757

TO SELLER:

The Villages of Lake-Sumter, Inc.
Attn: John Wise
1020 Lake Sumter Landing
The Villages, Florida 32162

with a copy to:

McLin Burnsed
Attn: Erick D. Langenbrunner, Esq.
1028 Lake Sumter Landing
The Villages, Florida 32162

or to such other address as may be furnished in writing by a party to the other.

17. **Construction, Jurisdiction, and Venue.** This Contract shall be construed according to the laws of the State of Florida. Jurisdiction and Venue for any action hereunder shall lie with the circuit court for Sumter County, Florida.

18. **Attorneys' Fees.** In the event either party shall be in default under this Contract, or if any dispute shall arise between the parties concerning the interpretation of this Contract, and

if an action shall be brought in connection therewith in which it shall be finally (with no further appeal being available due to the expiration of appeal periods or otherwise) determined that either party was in default, or that the court agrees with one party's interpretation of the disputed provision of this Contract, the party determined by the court to be in default, or with whose interpretation of this Contract the court does not agree, shall pay to the other party all attorneys' fees and litigation expenses incurred or paid by the other party in connection therewith.

19. **Time.** Time is of the essence of this Contract. When any time period specified herein falls or end upon a Saturday, Sunday or legal holiday, the time period shall automatically extend to 5:00 p.m. on the next ensuing business day.

20. **Counterparts.** This Contract may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

21. **Entire Agreement.** This instrument constitutes the entire agreement between the parties and supersedes all previous discussions, understandings and agreements between the parties relating to the subject matter of this Contract. No amendment hereto is effective unless made in writing and signed by both parties.

EXECUTED as of the date first above written.

SELLER:

WITNESSES:

THE VILLAGES OF LAKE-SUMTER, INC.,
a Florida corporation

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

PURCHASER:

ATTEST:

**VILLAGE CENTER COMMUNITY
DEVELOPMENT DISTRICT,**
a local unit of special purpose government

By: _____
Name: _____
Title: _____

By: _____
Steve Drake, Chairman